

ORIGINAL

OPEN MEETING ITEM

COMMISSIONERS  
GARY PIERCE - Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS



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Executive Director

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ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
DOCKET CONTROL

DATE: JULY 22, 2011

DOCKET NOS.: W-02102B-07-0273 and W-02102B-07-0163

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Jane Rodda. The recommendation has been filed in the form of an Opinion and Order on:

RANCHO DEL CONEJO COMMUNITY WATER CO-OP, INC.  
(EXTENSION OF TIME DEADLINE CONTAINED  
IN DECISION NO. 70311)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

AUGUST 1, 2011

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

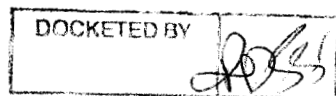
AUGUST 16, 2011 and AUGUST 17, 2011

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

JUL 22 2011



ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET; PHOENIX, ARIZONA 85007-2827 / 400 WEST CONGRESS STREET; TUCSON, ARIZONA 85701-1347

[WWW.AZCC.GOV](http://WWW.AZCC.GOV)

This document is available in alternative formats by contacting Shaylin Bernal, ADA Coordinator, voice phone number 602-542-3931, E-mail [SABernal@azcc.gov](mailto:SABernal@azcc.gov)

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 GARY PIERCE - Chairman  
4 BOB STUMP  
5 SANDRA D. KENNEDY  
6 PAUL NEWMAN  
7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION OF  
9 RANCHO DEL CONEJO COMMUNITY WATER  
10 CO-OP, INC. FOR APPROVAL OF RATE  
11 APPLICATION FOR WATER COMPANIES WITH  
12 ANNUAL GROSS OPERATING REVENUES OF  
13 LESS THAN \$250,000 PER ARIZONA  
14 ADMINISTRATIVE CODE R14-2-103.

DOCKET NO. W-02102B-07-0273

11 IN THE MATTER OF THE APPLICATION OF  
12 RANCHO DEL CONEJO COMMUNITY WATER  
13 CO-OP, INC. FOR APPROVAL OF DEBT DUE  
14 TO RANCHO CONEJO COMMUNITY WATER  
15 CO-OP INC.'S NEED TO BORROW FUNDS TO  
16 INSTALL ARSENIC REMOVAL EQUIPMENT.

DOCKET NO. W-02102B-07-0163

DECISION NO. \_\_\_\_\_

**ORDER EXTENDING TIME**  
**DEADLINE CONTAINED IN**  
**DECISION NO. 70311**

15 Open Meeting  
16 August 16 and 17, 2011  
17 Phoenix, Arizona

18 **BY THE COMMISSION:**

19 \* \* \* \* \*

20 Having considered the entire record herein and being fully advised in the premises, the  
21 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

22 **FINDINGS OF FACT**

23 1. In Decision No. 70311 (April 24, 2008), the Commission approved the rate and  
24 financing applications of Rancho Del Conejo Community Water Co-op, Inc. ("Rancho" or  
25 "Company"). As part of Decision No. 70311, the Commission ordered the Company to file a new  
26 rate case by June 1, 2011, using a test year ending December 31, 2010.

27 2. On May 23, 2011, Rancho docketed a request for an extension of time to comply with  
28 Decision No. 70311. Rancho stated that it is in the process of collecting signatures to become a

1 Domestic Water Improvement District ("DWID" or "District"). The Company believes that there are  
2 advantages of becoming a District including the ability to receive grant money to improve its ailing  
3 system.

4 3. The Company hoped to have signatures gathered by June 30, 2011, and to file with the  
5 Pima County Assessors Office as soon as possible after that. The Company requested an extension to  
6 file a new rate case, if necessary, until after the November 2011 elections.

7 4. On June 30, 2011, the Commission's Utility Division ("Staff") filed a Staff Report  
8 recommending an extension of time to file a new rate until June 30, 2012, using a December 31,  
9 2011, test year.

10 5. In the event Rancho becomes a DWID, the Company would no longer be a regulated  
11 public service corporation. In such case, Staff states that the Order to file a rate case would become  
12 void.

13 6. The Company states that if a rate case is ultimately necessary, it would need at least  
14 six months to prepare the rate application.

15 7. Staff does not object to the request for an extension of time to file the rate case, and  
16 believes that the Company should have the opportunity to determine whether a District will be  
17 formed prior to preparing a rate case. Staff recommends that the extension be granted until June 30,  
18 2012, and that the Company be ordered to utilize a December 31, 2011 test year.

19 8. It is reasonable and appropriate to grant the extension request in order for the  
20 Company to determine if it will become a DWID. There is no indication that the public interest will  
21 be hurt if the Company is granted an extension to file a new rate case as recommended by Staff. The  
22 extra time would be needed to prepare a complete application in the event a District is not formed.  
23 Consequently, we find that Staff's recommendation is reasonable and should be granted.

24 **CONCLUSIONS OF LAW**

25 1. Rancho is a public service corporation within the meaning of Article XV of the  
26 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

27 2. The Commission has jurisdiction over Rancho and the subject matter of the request.  
28

1           3.       If Rancho becomes a DWID, it will no longer be subject to Commission regulation as  
2 a public service corporation.

3           4.       An extension of time to comply with the requirements of Decision No. 70311, as  
4 discussed herein, is fair and reasonable and in the public interest.

5 ORDER

6 IT IS THEREFORE ORDERED that that the deadline for Rancho Del Conejo Community  
7 Water Co-op, Inc. to file a rate case, as required by Decision No. 70311 is extended until June 30,  
8 2012.

9 IT IS FURTHER ORDERED that in the event that Rancho Del Conejo Community Water  
10 Co-op, Inc. does not receive approval to become a Domestic Water Improvement District, such that a  
11 rate case filing is required, Decision No. 70311 is also modified to require that Rancho Del Conejo  
12 Community Water Co-op, Inc. shall utilize a test year of December 31, 2011.

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1 IT IS FURTHER ORDERED that in the event Rancho Del Conejo Community Water Co-op,  
2 Inc. receives authority to form a Domestic Water Improvement District, it shall file an application to  
3 cancel its Certificate of Convenience and Necessity prior to June 30, 2012.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

6  
7  
8 CHAIRMAN

COMMISSIONER

9  
10 COMMISSIONER

COMMISSIONER

COMMISSIONER

11 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,  
12 Executive Director of the Arizona Corporation Commission,  
13 have hereunto set my hand and caused the official seal of the  
14 Commission to be affixed at the Capitol, in the City of Phoenix,  
15 this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

16 \_\_\_\_\_  
17 ERNEST G. JOHNSON  
18 EXECUTIVE DIRECTOR

19  
20 DISSENT \_\_\_\_\_

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22 DISSENT \_\_\_\_\_  
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1 SERVICE LIST FOR: RANCHO DEL CONEJO COMMUNITY  
2 WATER CO-OP, INC.  
3 DOCKET NO.: W-02102B-07-0273 and W-02102B-07-0163  
4 David H. Putnam, President  
5 RANCHO DEL CONEJO COMMUNITY  
6 WATER CO-OP, INC.  
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